City of San Antonio

ADDENDUM III

SUBJECT: Request for Proposals for Depository Banking, Lockbox, and Merchant Banking Services, (RFP 16-086), Scheduled to Close: Tuesday, August 30, 2016; Date of Issue: Monday, August 1, 2016

FROM: Denise D. Gallegos, C.P.M., CPPB
             Procurement Administrator

DATE: August 18, 2016

THIS NOTICE SHALL SERVE AS ADDENDUM NO. III - TO THE ABOVE REFERENCED REQUEST FOR PROPOSALS

THE ABOVE MENTIONED REQUEST FOR PROPOSALS IS HEREBY AMENDED AS FOLLOWS:

1.   **Revised:**   RFP Section 010 – Submission of Proposal, Proposal Format, 10th line in paragraph revised to read as the following:

"ORIGINAL proposals must include ALL the sections and attachments in the sequence listed in the RFP Section **008**, Proposal Requirements, and each section and attachment must be indexed and,"

QUESTIONS SUBMITTED IN ACCORDANCE WITH SECTION 011, RESTRICTIONS OF COMMUNICATION:

Question 1:   Who is the current Merchant Acquirer and when does your contract expire?
Response: The City's current Merchant Provider is Chase Paymentech and the contract is set to expire on June 30, 2017.

Question 2:   What payment types are accept today credit, Visa, MasterCard, American Express, Discover, other) echeck, pin debit, pinless debit, signature debit, alternative payments and/or ACH?
Response: The City currently only accepts Visa, MasterCard, American Express and Discover.

Question 3:   Is Pin debit transactions accepted today if so please provide the annual volume and number of transactions accepted?
Response: The City currently does not utilize pin-based transactions; however, the City would like to learn more about all possible opportunities to utilize.

Question 4:   If accepting or interested in accepting payment via echeck please provide the number of transactions and sales volume processed annually for echeck by each acceptance methods Web, POS, and Phone?
Response: The City currently does not utilize echecks, however, the City would like to learn about any additional services that are available.

Question 5:   If accepting or interested in accepting payment via echeck what percentage of the echeck transactions are business checks?
Response: See response to question 4.

Question 6:   If accepting or interested in accepting payment via echeck is any of the echeck volume warranted or guaranteed and if not are you looking for a warranty/guarantee program?
Response: See response to question 4.
Question 7:   What methods of authorization is used today, real-time authorization, batch authorization, recurring, installment, other?
Response: The City currently uses real-time, batch, and recurring authorization methods for credit card processing.

Question 8:   What pin pads are used today, the number of each, manufacturer, make and model and if owned, rented or leased?
Response: The City currently does not utilize pin pads; however, the terminal/pin pad expected to be used with Active Network is Verifone MX915 and Ingenico IPP320.

Question 9: Are any recurring transactions performed and automatically executed by the current vendor?
Response: Two of the City's Airport locations are currently set up to process using tokenization for billing.

Question 10: If there is requirement for IVR for touchtone acceptance of cards is for the responder to provide a fully hosted IVR solution or to provide a payment interface for the current IVR?
Response: The City currently does not utilize IVR for touchtone acceptance of credit cards; however, the City would like to learn about any additional services that are available.

Question 11: Are the Ingenico ICT250 devices used as stand-alone credit card terminals today or in a semi-integrated or integrated environment? If semi-integrated or integrated what is the POS system, company name and product name of the payment interfaces they are used with? Are these solutions certified for EMV today?
Response: Yes, the ICT250 device is used as stand-alone credit card terminal.

Question 12: With the Center City 2's Ingenico IPP320 does it integrate with the ActiveNet 16.0 and if so what is the payment interface company name and product name used with the solution. Are they EMV compliant today?
Response: Yes, the Ingenico IPP320 will integrate with the ActiveNet 16.0 and will be EMV compliant.

Question 13: With Finance's Verifone MX915 is it integrated to ActiveNet with Tender Retail MCM 4.2 as the payment interface? If so is the solution EMV compliant today? Is Finance using Verifone's hardware based encryption with this solution?
Response: It is the City's intent to utilize the MX915 with the implementation of ActiveNet; however, the City has not yet purchased the equipment.

Question 14: With the Municipal Court what card reader device is used with the Kiosk and is Authorize.net the payment interface ? If not what is the company name and product name of the payment interface for the Kiosk? How many Kiosk solutions are used today? Is Authorize.net the payment interface for the Tyler Technologies solution, if not what is the company name and product name used with Tyler Technologies? Is this solution EMV compliant today?
Response: Tyler Technologies utilizes Authorize.net as the payment interface. The Kiosk has no card reader; customers are directed to a Tyler Technologies website for payment.

Question 15: Is Parks & Recreation's Ingenico iPP320 used with the ActiveNet 16.0, and what is the company name and product name of the payment interface used with this solution? Is this solution EMV compliant today?
Response: See response to question 12.

Question 16: What is the company name and product name of the payment interface used with the City of San Antonio web payments for Animal Care, Aviation, Convention Center and Visitor Bureau, Development Services, Historical Preservation, Library and Municipal Court? Is the same interface used for all departments or is multiple interfaces used? If multiple please provide the interfaces used, company name and product name?
Response: The City utilizes a City developed portal that connects to an Orbital Gateway for web payments for Animal Care, Aviation, Convention Center and Visitor Bureau, Development Services, Historical Preservation, Library and Municipal Courts. The City also utilizes PARIS (developed by Integra Park, LLC) version 4.3.2 at the Airport, Pass key at the Center and Visitor Bureau, and Authorize.net at Municipal Courts.

Question 17: Is Main Street Softworks Monetra, Software Version #: 7.2, the payment interface for both Aviation's Multi Space Parking Meters and Pay Stations and the Fee Computer and Pay in Lane Parking-EBParcs solution? If not what is the company name and product name of the payment interface for the Fee Computer and Pay in Lane Parking EBParcs solution?
Response: Monetra, Software Version #: 7.2 is the Point of Sale system for the City's parking lot pay stations. The City utilizes WEBParcs; HUB Parking Technology; Version is v.6.2 for the City's parking lot pay stations at the Airport and City Center.

Question 18: What is the company name and product name of the payment interface for Aviation's PARIS-on-the-Web-Integra Park, LLC solution?
Response: See response to question 16.

Question 19: Is payments accepted with the Convention and Visitor Bureau's Passkey solution, if so what is the company name and product name of the payment interface?
Response: See response to question 16.

Qusetion 20: What is the company name and product name of the Integra Park, LLC PARIS in PERSON: PARIS version 4.3.2 solution used by Center City 2?
Response: See response to question 16.

Question 21: What is the company name and product name of the payment interface for the Center City 2's Fee Computer and Pay in Lane Parking, WEBParcs solution?

Response: See response to question 17.

Question 22: What percentage of the City's volume is ecommerce, what percentage is Mail/Telephone and what percentage is over-the-counter?

Response: Website - 17%
Telephone - N/A
Mail - N/A
In-person - 83%

Question 23: If a third-party payment gateway is used for IVR payment processing, provide the company name and product name of the gateway and areas using this acceptance type along with the company name and product name of the IVR system?

Response: See response to question 10.

Question 24: What locations accept or anticipate accepting convenience fees today and who manages or would manage the fees?

Response: Currently only one City department, Center and Visitor Bureau, is charging a convenience fee.

Question 25: If planning on accepting convenience fees does the locations anticipate a two transaction model and if so who receives funding for the second transaction?

Response: See response to question 24.

Question 26: If accepting today who funds for Discover transactions?

Response: The City currently has an existing relationship with Discover and Discover directly credits and debits the City's Account.

Question 27: If accepting today who funds for American Express transactions?

Response: The City currently has an existing relationship with American Express and American Express directly credits and debits the City's Account.

Question 28: Are you PCI compliant today and what is your PCI level?

Response: Yes, the City is PCI compliant. The City has a PCI level 3 as of December 31, 2015.

Question 29: Do you have communications needs such as MPLS Circuits, VPN connectivity or Secure FTP, if so please identify specific needs?

Response: Any remote connectivity to the City network requires VPN connectivity and any authorized transfer of information via FTP must be done with secure FTP, with authenticated accounts.

Question 30: Does any location utilize tokenization today, if so please provide the tokenization method and product used?

Response: Two of the City's Airport locations are currently set up to process using tokenization for billing, utilizing PARIS (developed by Integra Park, LLC) version 4.3.2 that connects to an Orbital Gateway.

Question 31: Does any location utilize point-to-point (P2P) or end-to-end (E2E) encryption today, if so please provide the encryption method and product used?

Response: Currently the City does not use a P2PE or E2E encryption solution.

Question 32: What is the time frame of your current funding for payment of your settlement items?

Response: The current time frame for payment settlement is no later than two business days.

Question 33: What depository bank are your funds settled into?

Response: The City's current depository bank is Frost Bank.

Question 34: What is your settlement cutoff time?

Response: The City's current settlement cutoff times are 5:00 a.m. ET and 1:00 p.m. ET.

Question 35: Is the scope of this RFP is for your domestic processing only?

Response: Section B of the RFP is only for domestic credit card processing.

Question 36: Do you have an EMV strategy, if so what is your timeframe to implement and what solution and EMV devices (manufacturer and model name and number) are you considering?

Response: The City is currently in the implementation stage with Active Network and is unsure of the exact number of terminals that

will be replaced but assumes that 95% of all terminals will be replaced by Active Network, which will be EMV compliant, with the exception of Municipal Courts which will remain Tyler Tech and parking pay stations /parking meters. For the terminals that remain, the City will look to the then current provider to provide replacements terminals.

Question 37:	Regarding RFP 010 - Submission of Proposal, Proposal Format, Pages 16-17, Please clarify which section number contains the sequence that should be included in the proposal response. Section 007 contains Pre-Submittal Conference information. However, page 17 includes the following requirements. Please confirm that Section 008 should be used for the sequence.

- ORIGINAL proposals must include **ALL the sections and attachments in the sequence listed in the RFP Section 007, Proposal Requirements**, and each section and attachment must be indexed and, for hard copy submissions, ONLY REQUIRED SECTIONS AND ATTACHMENTS listed by asterisk (*) in Section 008, Proposal Requirements MUST be divided by tabs and indexed in a Table of Contents page. Failure to meet the above conditions may result in disqualification of the proposal or may negatively affect scoring.

Response: Original proposal must include ALL the sections and attachments in the sequence listed in the RFP Section **008**, Proposal Requirements. In addition, Respondents can utilize RFP Attachments A-11, B-11, and/or C-11 Proposal Checklists as a guide to the proposal requirements.

Question 38: Regarding RFP Exhibit 7, Page 29, Please confirm; do the Total Dollars referenced as declared value annually ($361,689,693) include paper checks processed? Attachment A-1 indicates the City processes $33,123,000.00 in cash annually.

Response: The amount referenced in RFP Exhibit 7 is the amount of all vault deposits of the City.

Question 39: Regarding Attachment A, B. Collection Services, #2.j (Checks), Page 38, How many Remote Deposit Scanners are being utilized and for what department(s)? Please share make and model.

Response: The City currently has 3 Remote Deposit Scanners which two are currently being utilized in the Finance and one at the Airport Department. The scanners are Digital Check Teller Scan-230-65 DPM.

Question 40: Regarding Attachment A, B. Collection Services, #2.j (Checks), Pages 38-39, In order to achieve full potential of Remote Deposit Solution (i.e. removal of all paper checks), how many scanners would the City need?

Response: The City currently has 3 Remote Deposit Scanners which are currently being utilized in the Finance and one at the Airport Department. The City evaluates the use of remote capture on a site by site basis based on volume of checks processed.

Question 41: Regarding Attachment A, B. Collection Services, #7.c (Virtual Banking), Page 38, Please explain the nature of potential remittance documents alluded to in this section. Would full-page scanners for remittance imaging tied to a Remote Deposit Capture solution be of benefit to the City?

Response: The City is interested in learning about all potential services available.

Question 42: Regarding Attachment A, C. Disbursement Services, #1 (Checks), Page 39, How many checks are cashed by the bank each month?

Response: Please see RFP Attachment A-1.

Question 43: Regarding Attachment A, E. Cash Management Services, #4 (Sweeps), Page 41, What is the average balance maintained in the sweep and the largest/highest balance in the sweep?

Response: The average daily balance in the repurchase agreement is $1.4 million. The highest balance was $152M at the end of the calendar year.

Question 44: Regarding Attachment A, H. Collateral Requirements, Page 42, Would the City be willing to consider the Federal Home Loan Bank Letter of Credit as a form of collateral?

Response: The City will consider Federal Home Loan Bank Letter of Credit as a form of collateral; however, the City prefers and will give strong preference to pledged securities such as US Treasuries and Agencies.

Question 45: Regarding Attachment A, I. Safekeeping and Trust, 10. Escrow, Page 43, Please provide the historical number of escrows and deposit sizes (last 1-2 years). Can the City provide the longest, shortest, and average duration of the escrows?

Response: In the last two years, the City has requested the depository to provide escrow services on three different lease transactions in the amounts of $8.7M, $24M, and 2.9M. The escrows services were for two months, seven months, and one account is currently open, and has been open for six months but is expected to be closed within the next six months.

Question 46: Regarding Attachment A, I. Safekeeping and Trust, Page 42-43:
- Can the City provide a list of holdings with cusip/market values?
- Can the City provide a breakdown of estimated annual transaction activity (buys, sells, pay-downs, etc.)?
- Does the City require any GASB reporting?
- How many accounts are there currently?
- Are investments/accounts managed internally or by external managers?
- Does the City require any formal accounting requirements or just reporting?
- Does the City require a data feed?
- How much liquidity or free cash is kept in sweep on a daily basis?
- Does the City have any requirements with regard to eligible investments for sweep vehicles?
- Would the City consider an ECR (Earnings Credit Rate) solution for a cash sweep arrangement?
- When the City refers to having these securities in Trust as opposed to safekeeping, do you mean having a custodial arrangement within a Trust Department setting?

Response:

- As of June the City's combined investment portfolio had 72 securities with market value of $1.14B.
- On average, annually the City has 81 maturities with a par/maturity value of $1.2B and 90 purchases with a par/maturity value of $1.3B.
- Currently the City does not require depository to provide GASB reporting; however, the City is interested in any information the Respondent may deem applicable to Depository Banking Services that the City may utilize but has not been directly requested in the RFP.
- The City has four separate investment portfolios.
- The City's investments are managed internally.
- The City requires only reporting; however, the City is interested in any information the Respondent may deem applicable.
- The City does not require a data feed however, the City is interested in any information the Respondent may deem applicable.
- The City does not utilize a cash sweep for these trust accounts as no cash is held in these accounts.
- See prior response.
- The City is interested in any information the Respondent may deem applicable to Depository Banking Services that the City may utilize but has not been directly requested in the RFP.
- The City's investment securities are held in Trust at the City's current depository.

Question 47: Regarding Attachment C, I. PIN-Based Processing, #4, Page 81, Please clarify which type of PIN is of interest to you. Is this question limited to PIN debit?

Response: The City is interested in receiving information regarding pin-based, pin debit, but the City does not currently utilize.

Question 48: Regarding Attachment C, P. On-line Capabilities, #11, Page 82, does this question seek to clarify the respondent's online administrative capabilities, such as within the Virtual Terminal or Resource Online? Or, does this question pertain to broader administrative capabilities?

Response: The City requests that the respondent provide all administrative functions and capabilities available.

Question 49: Regarding Attachment A-1 Cost Schedule, Line 8, AFP Code 010101; please provide a breakout of these credits posted. Are these vault deposits? Any branch activity?

Response: All deposits are made to the cash vault as the City does not utilize branch deposits.

Question 50: Regarding Attachment A-1 Cost Schedule, please provide annual quantities of vault deposits should it not be stated in response above.

Response: The City estimates the number of deposits taken to the cash vault per month to be 1,000.

Question 51: Regarding Attachment A-1 Cost Schedule, please confirm there is no branch activity should it not be stated in response above.

Response: See response to question 49.

Question 52: Regarding Attachment C, General Question, would the City be interested in a biller-funded option for Attachment C?
Response: The City is interested in any information the Respondent may deem applicable to the City but has not been directly requested in the RFP.

Question 53:   4.B.1 - "Remittance forms and white papers" Is this referencing correspondence? The term "correspondence" in used in another question as well.

Response: The remittance form refers to invoices and white paper refers to any other letters or sheets of paper which the payee has included in the remittance payment envelope.

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